

OPERATIONS & FINANCIAL UPDATE

- **No positive COVID-19 cases recorded for any Staff or Students**
- **Successful implementation of COVID-19 plan to ensure delivery of courses online and the now gradual rescheduling face-to-face practical components of coursework at campuses**
- **Revenue impacted due to COVID19 but cashflows remain strong for the quarter**
- **Retention of over 95% of International students despite of COVID 19**
- **Growth opportunities being pursued**

The Board and Executive of **iCollege Limited (ASX: ICT) ('ICT' or 'the company')** are satisfied that ICT has successfully responded to the challenges arising from COVID-19. The company is now firmly focused on implementing its return to business-as-usual and taking advantage of the organic and partnering growth opportunities.

iCollege is pleased to note that it has had **NO POSITIVE CASES** of COVID 19. The health and safety of all students and staff remains the number one priority during this period.

On 18 March 2020, the Company advised the development of a robust COVID -19 Response and Action Plan (COVID Plan). The COVID Plan provided the necessary framework and identified the resources to deliver course material to students online and otherwise provide a safe system of work for students, staff and suppliers. The implementation of the COVID Plan became a reality more quickly than had at first been expected, due to an escalation in Government Directions and all training was moved to our online delivery platform during the last week of March, with all physical campuses then being closed.

Regular student feedback on the online delivery system has been positive with many international students remaining in Australia to continue their studies.

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iCollege is uniquely positioned delivering training to both domestic and international students which has significantly assisted to protect all operating businesses from what could have been an enormous downturn due to the unforeseen COVID-19 pandemic. Whilst the company has seen a downturn in revenue, this can be attributed to the closure of borders, temporary suspension of the correctional training program, COVID-19 lock down measures to control any potential virus spread, implemented in April and the closure of hospitality outlets (which were a regular source of income for the students, leading to a small number of cancellations). Additionally, limitations on the ability to deliver the practical face-to-face components of its courses, the Company has addressed these issues by:

- Continuing to deliver coursework to domestic students, whose courses are funded through Government fee support;
- Rescheduling face-to-face practical components of the coursework to the back end of the course to coincide with the lifting of COVID-19 restrictions;
- Close and regular engagement between the Company's Finance Department and on-shore international students to manage payments and payment plans;
- Continued engagement and support of our expanding agent network; and
- Negotiation of rent reductions in accordance with the National Cabinet Mandatory Code of Conduct (Code) - SME Commercial Leasing Principles During COVID-19.

As well, the Company has been engaging, together with other leading providers in the sector, with various Commonwealth Minister's offices, lobbying for further assistance for the sector. Pre-COVID-19, the vocational international education sector was a significant contributor to Australia's third highest export industry and created one Australian job for every four international students. International vocational education and ELICOS training contributes 46% of the sector by way of participating students. ICT is hopeful that further support will be forthcoming for the sector in the coming weeks as the National Cabinet turn their focus towards igniting economic recovery and growth. Given Australia's response to this pandemic and our status as a healthy and safe haven, Australia is exceptionally well-positioned to become the number one study destination for international students with our borders expected to reopen under strict guidelines well before our competitors in the USA, Canada and the UK.

As a result of the prudent financial and operational management during this period, the unaudited management accounts show:

- Expected cash receipts of **\$751,000 vs. actual cash receipts of \$1.16 million for the month of May**, which includes the receipt of the \$224,000 loan from the Queensland Rural and Industry Development Authority (QRIDA), this is consistent with the Company's historical monthly cashflows;
- Sero Institute (International Student RTO) expected cash receipts of **\$360,000 vs. actual cash receipts of \$474,000 for the month of May**;
- Expected cash at bank was **\$396,000 vs. actual cash at bank of \$521,000** as at the end of May.

A detailed analysis of the Company cashflow will be provided as part of the Company's next quarterly Appendix 4C.

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iCollege's Managing Director Ashish Katta said: *"ICT has responded well to the challenges posed by the COVID-19 pandemic and while revenue in the June quarter will of course be impacted, we have positioned the business well for the remainder of the year. Our focus now turns to preparing our physical campuses for the gradual return of students and we have a well-developed plan to ensure we manage this very efficiently and safely. We also continue to engage with Government to lobby for more support given how important our industry is to the broader Australian economy."*

"While most of our efforts are on insulating existing operations, we continue to actively assess suitable complementary online education products and businesses that would make a positive contribution to revenue and earnings. This remains a work in progress but should convey to our shareholders that we have a firm focus on growth. We look forward to providing an update on June quarterly performance early next month and we will report on any meaningful developments in the interim."

We look forward to providing the market with further updates as restrictions are lifted and the business moves towards more face to face training.

This announcement has been authorised for release by the Board:

-Ends-

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